

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 8, 2021

Bana at Palmdale, located at 38732 9th Street E. in Palmdale, requested and is being recommended for a reservation of \$822,940 in annual federal tax credits to finance the new construction of 47 units of housing with rents affordable to households earning 20-60% of area median income (AMI). The project will be developed by Milare Housing Investments, Inc. and will be located in Senate District 21 and Assembly District 36.

Project Number CA-21-715

Project Name Bana at Palmdale
Site Address: 38732 9th Street E.
Palmdale, CA 93550 County: Los Angeles
Census Tract: 9105.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$822,940	\$0
Recommended:	\$822,940	\$0

Applicant Information

Applicant: MILARE Housing Investments Inc.
Contact: Ali Milani
Address: 313 E. Broadway, #10777
Glendale, CA 91209
Phone: 818-550-1990
Email: Ali.Milani@Milarehousing.com

General Partner(s) or Principal Owner(s): Milare Housing Investments, Inc.
AOF/Pacific Affordable Housing Corp.

General Partner Type: Joint Venture

Parent Company(ies): Milare Housing Investments, Inc.
American Opportunity Foundation, Inc.

Developer: Milare Housing Investments, Inc.

Bond Issuer: California Municipal Finance Authority

Investor/Consultant: Enterprise Housing Credit Investments

Management Agent: Quality Management Group

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 48
 No. / % of Low Income Units: 47 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted
 Geographic Area: Balance of Los Angeles County
 TCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting		Percentage of
Number of Units		Affordable Units
30% AMI:	7	15%
50% AMI:	5	11%
60% AMI:	35	74%

Unit Mix

20 2-Bedroom Units
28 3-Bedroom Units
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48 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
1 2 Bedrooms	20%	\$532
2 2 Bedrooms	30%	\$798
2 2 Bedrooms	50%	\$1,330
14 2 Bedrooms	60%	\$1,596
1 3 Bedrooms	20%	\$614
3 3 Bedrooms	30%	\$922
3 3 Bedrooms	50%	\$1,536
21 3 Bedrooms	60%	\$1,844
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$295,000
Construction Costs	\$11,019,876
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$566,077
Soft Cost Contingency	\$0
Relocation	\$0
Architectural/Engineering	\$530,500
Const. Interest, Perm. Financing	\$1,004,232
Legal Fees	\$115,000
Reserves	\$232,887
Other Costs	\$962,786
Developer Fee	\$2,000,000
Commercial Costs	\$0
Total	\$16,726,358

Residential

Construction Cost Per Square Foot:	\$224
Per Unit Cost:	\$348,466
True Cash Per Unit Cost*:	\$312,156

Construction Financing

Source	Amount
Citibank Tax-Exempt Loan	\$8,800,000
Citibank Taxable Loan	\$1,646,111
Citibank Recycled TE Bonds Loan	\$1,500,000
Deferred Developer Fee	\$1,949,617
Tax Credit Equity	\$2,830,630

Permanent Financing

Source	Amount
Citibank Tax-Exempt Loan	\$6,406,935
Citibank Recycled TE Bonds Loan	\$1,500,000
Deferred Developer Fee	\$1,742,849
Tax Credit Equity	\$7,076,574
TOTAL	\$16,726,358

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$15,825,767
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$20,573,497
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$822,940
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,000,000
Investor/Consultant:	Enterprise Housing Credit Investments
Federal Tax Credit Factor:	\$0.85991

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.